

## Defined Contribution Risk Adjuster Board Minutes

State Office Building Room 3112

*Approved*

December 13, 2010

**Attendees:** Tomasz Serbinowski, UID; Tanji Northrup, UID; Dave Jackson, First West; Nancy Askerlund, UID; Jim Murray, Select Health; Stephanie Jensen, PEHP; Neal Gooch, UID; Cathy Dupont, OLRGC; Norm Thurston, DOH; Sue Watson, OCHS; Chet Loftis, Regence; Steve Neeleman, Health Equity; John Sweeney, Health Equity; Mark Andrews, OLRGC; Curt Howell, Humana (via telephone); Mark Brown, Select Health (via telephone); Jim Pinkerton, Regence (via telephone); Bob Wilcox, UID (via telephone); Perri Babalis, Utah Attorney General (via telephone); Barb Grishaber, Humana (via telephone); Jan O'Brien, bSwift (via telephone); Kim Miller, United Health Care (via telephone)

- Dave Jackson called the meeting to order at 2:36 PM
- Dave announced this is a special Risk Adjuster Board meeting and thanked everyone for meeting on short notice
- **There was no need for discussion on the November 23, 2010 minutes. Curt made the motion to approve the November 23, 2010 minutes. Kim seconded the motion. All were in favor**
- Dave addressed the rating complaints received by the Insurance Department. He noted this topic will be discussed in the RA&PA Subcommittee meeting, but we should decide on a work around for the time being
  - Mark Brown suggested having bSwift send out new factors to be recalculated and redistributed
  - Kim suggested a monthly file based on effective dates with risk factors
    - Dave noted these suggestions sound good and can be a solution for the long run, but a monthly report may not be pulled together in time for this particular issue
  - Tanji outlined the issue. The incumbent risk factor changed because of negotiations outside the Exchange, which affected the rates in the Exchange. Two groups went back to the Carrier and bSwift; there was a re-rate and now the rates in the Exchange need to be updated. This requires Health Equity to do a manual billing because the rates are non-compliant. The Insurance Department is asking
    - the RAB to provide updated rates on incumbents rerated
    - Health Equity to perform manual billing if groups move to the Exchange because of the change in rates
  - Tanji continued by saying a new rate table needs to be submitted to bSwift. There is no need to underwrite again, but we need new rate sheets. Rates will need to be loaded into the ticket tracker, noting the final risk rate has changed and new rates need to be submitted for those groups
  - Mark Brown noted Jan O'Brien made a list of groups in the past requesting rate factors. This list can be used to find all January effective dates
  - Tanji thinks both January and February renewals should be examined.
  - Tanji stated any groups that are identified as needing to be rerated, these groups should be emailed to Tanji
  - Mark Brown summarized the process: bSwift will provide a list of all new groups in January and February and what their current rate factor in the Exchange is showing for January or February effective date. The groups need to be double checked to ensure the

renewal factor outside is not less than that factor and then submit this back to Tanji and to bSwift to change in their system. Any groups that changed need to go back out to all carriers to re-input their rates

- Tanji set deadlines for each of the steps
  - A list needs to be compiled by noon tomorrow (December 14, 2010, Mountain Standard time) which will go to the Insurers and consists of any of their groups they are an incumbent insurer for, the insurers name, who the incumbent is and the final group risk factor. This list will contain any group who was given a final rate (which can include January, February, March). Thus, the list should also contain a column depicting the effective date. This is not for the final 40+ groups; this list will be based on applications received. This is due by noon on December 14, 2010
  - The insurers will report back to bSwift and in a separate message to Tanji, all the groups whose risk factor needs to be changed due to the incumbent risk factor. This will be due by the end of day December 15, 2010
  - On December 16, 2010 bSwift will take the list from the insurers and send a notice to the insurers that new rates are being loaded because of a change in the incumbent risk factor
  - New rates will be loaded by the end of day December 17, 2010. Once the new rates are loaded, a message needs to be sent to the broker and employer stating new rates have been posted for the group
- Steve asked if the Actuaries believe, outside plan evaluation, the factors are the same inside and out. Tanji answered the filed rate manual was reviewed. This was based on rates without risk factors loaded. The Actuary did not see any issues. However, the filed rate manual and what is being quoted is not the same; this is where we need to find where the differences are
  - Jim Murray noted the rates will not be the same inside and outside of the Exchange because of differences in commission and administrative fees. The rates will not be the same dollar-for-dollar
- **Norm made the motion that bSwift will provide a list to the insurers that includes the Employer name, renewal date, current final group risk factor and all groups who were provided final rates. The insurers will review the incumbent groups and provide bSwift a new renewal risk factor if different from the factor provided. bSwift will load rates and notify brokers and employers of new rates by end of day Friday (December 17, 2010). Kim seconded the motion. All were in favor**
- Tanji noted the Insurance Department is getting requests for the RAB minutes to be posted more quickly. Since the RAB inception, we can now post audio of the meetings online immediately following the meeting. Tanji noted it is not necessary for Stephanie to take detailed minutes. If there is interest in specific details, the audio portion of the meeting will be available. A draft of the minutes can then be provided to the public prior to the Board's vote
  - Jim noted he has listened to the audio and it is not an efficient use of time; it takes too long to find what you are looking for
  - Tanji noted it was suggested by Cathy Dupont that detailed minutes are not necessary. Instead, Stephanie can use the model used by the Legislature, which includes decisions and motions made
  - Mark Andrews asked if a draft of the minutes can be distributed, that clearly say it is a draft

- Perri noted detailed minutes can be distributed as long as it is indicated the minutes are a draft. However, people cannot rely on what is in the minutes since they have not yet been approved by the Board
- Norm noted it is the motions that are passed, not the minutes, which affect business. People do not know what the motion was for a month until the minutes are distributed. We need a process so when a motion is passed, the people that are impacted are informed. For example, bSwift and the Carriers need to know what we passed in today's meeting
- Dave asked Perri if there is a problem with posting minutes as a draft and submitting the draft the day after the RAB meeting
  - Perri stated this is okay as long as it is clearly noted the minutes are a draft
- Norm asked if Stephanie has enough time to rewrite her minutes by the following day
  - Stephanie agreed to make the minutes available the day following the RAB meetings
- Chet pointed out the difference between the minutes and the motion. The minutes not only depict what motions were passed, but they capture the discussion of the meeting. Minutes are used to accurately reflect what everyone was saying
- Nancy asked if the decisions that were made during the meeting can be pulled out and posted immediately
  - Perri is concerned with the language. An idea can be voted on, but if the Board gets together and sees a wrong word or concept then this will cause problems if it has already been posted
- The final decision was for Stephanie to compile the minutes the day following the RAB meeting, clearly indicating the minutes are a draft. Stephanie will continue to update the Decisions Adopted by the Risk Adjuster Board, with a month lag, giving the Board enough time to see approve the minutes
  - Tomasz asked for the motions to be displayed in bold or italics, making it easier to find in the minutes. Stephanie agreed to do so
- Dave noted Representative Dunnigan wants the RAB to discuss large employer plan limitations at the December 28, 2010 meeting; does the large employer have plans that look like the small employer plans. Dave would like feedback from the board members. Dave noted the large exchange will be here Jan 1, 2012, we should have input of what that looks like. Dave is also concerned with additional risk in the large arena. If we are adjusting retrospectively, how liberal can we be? Will the large employers embrace any limitations we apply?
- Meeting adjourned at 3:34 PM